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Supreme Court of the United States

October Term, 1943

No. 665

BERNARD O. MATTSON,
PETITIONER,
vs.
AMUSEMENT CORPORATION OF AMERICA,
RESPONDENT.

TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR FIFTH CIRCUIT AND BRIEF IN SUPPORT THEREOF

PETITION FOR WRIT OF CERTIORARI

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TO THE HONORABLE CHIEF JUSTICE OF THE UNITED STATES, AND ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

Your petitioner, Bernard O. Mattson, respectfully submits this his petition for writ of certiorari to review the judgment of the United States Circuit Court of Appeals for the Fifth Circuit in the above entitled cause and respectfully shows unto the Court that the Circuit Court of Appeals for the Fifth Circuit has in the above styled cause decided an important question of Federal Law which has not been, but should be settled by this

Court; and has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision. Three questions are involved. Their very nature demands a rather lengthly statement of the facts involved. This apology is made by the writer with knowledge of Rule 38 (2) of this Honorable Court for brevity.

STATEMENT OF CASE

(a) The subject matter of this litigation is that on April 2, 1938 the petitioner, Bernard O. Mattson, was issued a United States patent for a "construction and arrangements of parts * * * * that may be used as a unit, and placed in and removed from a tank filled with water and used as a 'moving-duck-target-in-shallow-pond'." (Record-19). The patentable feature or utility of this device is that the moving ducks are carried through the water on an endless chain circumventing vertical axes at each end that reduces to six inches or less the depth of the accompanying water-tank in contra-distinction to the old type traveling around horizontal axes which could only be operated in tanks of twenty-four inches or more in depth.

Naturally, the only saving or utility of the invented machine over the old types was principally the difference of cost in installation by eliminating the excavations necessary to lower the water surface in the tank, the saving in weight and water necessary to operate and their resultant saving of transportation expense. When once properly placed in operation the old style would naturally be as attractive and profitable in use as the Mattson invention.

(b) During February, 1930 Mattson offered to sell his very first patented machine to the defendant Cor-

bett, whom he considered his personal friend. Corbett did not buy but persuaded Mattson to let him use and operate the machine as part of the Royal American Shows belonging to the respondent, Amusement Corporation of America, during the ten day period in February, 1939 of the South Florida Fair at Tampa, agreeing to buy it if it met his, Corbett's, approval.

After the defendants used the patented machine during the South Florida Fair, the defendant Corbett secretly had a mechanic manufacture the infringing device involved herein which the defendant Amusement Corporation carried away on their show train (Record-69) during the spring of 1939 over the protest of Mattson to be operated as a part and parcel of their intinerant carnival show for the season beginning April 30, 1939. The defendants also operated the machine for the seasons of 1940 and 1941 and part of the Florida 1942 winter season, finally ending their almost continuous infringement on or about February 28, 1942 at Orlando, Florida. (R-67).

(c) When the show returned to Florida on November 15, 1939 Mattson filed his complaint against both defendants in the same suit in the District Court of Tampa to enjoin the patent infringement, and praying for an accounting of the profits derived by the defendants and the actual damages, and to treble the amount of the damage assessment, for the "wilful and unjust infringement of said defendants." (Record-1-6). Personal service of process was thereupon served upon both defendants who continued the infringement.

The defendant Corbett elected to defend the injunction feature of the suit but announced in court that he was judgement proof and did not elect to defend the

accounting features of the suit but he testified again for the defendant, Amusement Corporation of America, who elected to defend only the accounting feature of the suit before the Special Master's hearings.

(d) The District Court on March 21, 1942 directed the Special Master to ascertain the *treble* gains and profits made by said defendants jointly and/or severally from the infringement apparatus (Record-24) from the date of the filing of the Bill of Complaint for the period beginning April 30, 1939 at Hapeville, Georgia, and ending February 28, 1942 at Orlando, Florida (Record-157) and upon final decree reduced the previous award to actual profits for the sole reason that it was the court's opinion that "there is no statutory authority for trebling profits." (Record-173).

The said Circuit Court of Appeals on November 10, 1943 reversed the judgment of the United States District Court for the Southern District of Florida entered in the District Court at Tampa on February 11, 1943 awarding Bernard O. Mattson, as patentee and plaintiff, nominal damages of $1.00 and the further sum of $12,389.54 as actual profits, with interest and costs, against the defendants, William Corbett and Amusement Corporation of America, jointly. The part of the judgment in controversy represents the actual as well as what might have been the treble amount of the actual profits with the Special Master found that the defendants jointly took and received as a profit from the infringing moving-duck-pond-target device (Record-173). The special or nominal damages of $1.00 is not involved.

Only the defendant Amusement Corporation of America filed its appeal from the judgment of the District Court, and the Appellate Court reversed the cause

and remanded the cause back for further proceedings that cannot be reasonably complied with.

NOTE: The interlocutory decree of the District Court is found on page 22 of the record, the Special Master's report is found on page 157 and the final decree of the District Court is found on page 170 of the transcript of record to which there is attached one certified copy of the opinion and decree of the Circuit Court of Appeals for the Fifth Circuit entered November 10, 1943, and the same is printed as Appendix-A to the attached brief.

FIRST QUESTION

Is the burden shifted upon the defendants in patent infringement suits to plead or affirmatively prove, after the plaintiff has made out a case of infringement and proved the defendants gross profits under the circumstances of each case, that some particular instrumentality or improvement was reasonably available to the defendant for the very same use that the infringement device was designed for and used by the infringers, or, is that difficult and often impossible negative burden continuously throughout the trial on the plaintiff patent owner?

SECOND QUESTION

Are co-defendant patent infringers who operate together in pirating the plaintiff's patent on a percentage or share-profit basis of the gross profits or take from the infringing device, liable jointly as tort feasors for the aggregate profit, or, are the co-defendants each liable only for their proportionate or respective share of the net profits or take that can be proved only by the infringers testimony that they each received through their secret division?

THIRD QUESTION

Where the Court finds that the defendant's infringement was "deliberate, intentional and persistent" and in its discretion in the interlocutory decree first allows the profits to be trebled and later on final decree reduces the award to actual profits for statutory reasons only, does the amended statute (Title 35, U. S. Code, Sec. 70) as now written authorize the Court in its discretion in the first instance to award the plaintiff treble profits?

It is submitted that this Court should by its decree establish a uniform answer to these three questions, particularly the first, otherwise it is virtually impossible for the patentee or patent owner to ever recover more than nominal damages in use infringement cases.

The only remaining remedy offered similar classes of patentees for the theft and pirations of their inventions through use infringement is now substantially nullified by the Circuit Court of Appeals for the Fifth Circuit as to patented instruementalities whose value to the inventor is mainly in limiting its use during the seventeen year period of the inventors monopoly. This Court should correct those errors.

SPECIAL REASON FOR WRIT OF CERTIORARI

The defendant, William Corbett, was at the time of the decree of the District Court insolvent. Since that decree, the defendant, Amusement Corporation of America, has been legally dissolved and distributed all of its assets and is now insolvent, except for the supersedeas appeal bond in this cause. The supersedeas bond will become void if the decree of the Circuit Court of Appeals is not reversed by this Court. The remanding to

the District Court for further proceedings not inconsistent with the opinion of the Circuit Court of Appeals will mean fruitless litigation to the petitioner and possibly will not now be again defended.

While the present supersedeas bond is still in full force and effect this petition now presents no moot question before the Court. There are, therefore, special and important reasons for the issuance of a writ of certiorari at this time in this case within the purview of Revised Rule 38 (5) of this Court as no further judgment would be collectible.

Wherefore, it is respectfully submitted that this petition for certiorari to review the decree of the United States Circuit Court of Appeals for the Fifth Circuit dated November 10, 1943 should be granted as nothing more could be proved that is not now plainly obvious from the testimony.

BURTON G. HENSON
Counsel for Petitioner.

Dated January 21, 1944.